

Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee



Director John R. Baza, P.E.
Division of Oil, Gas and Mining

The Utah Division of Oil, Gas and Mining fosters responsible resource development, protects public safety, and preserves the environment.

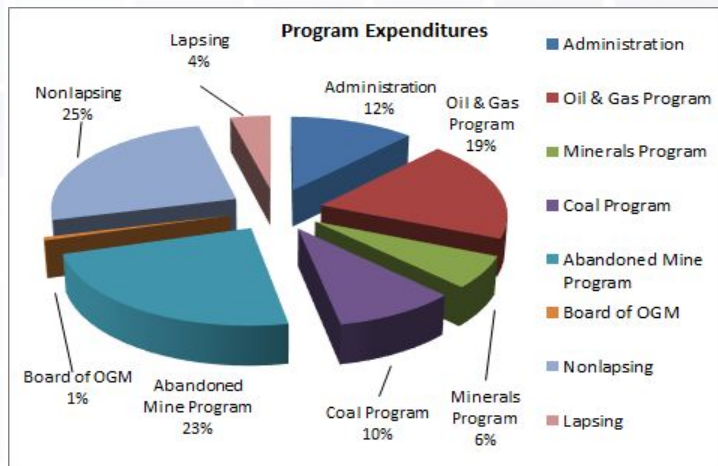
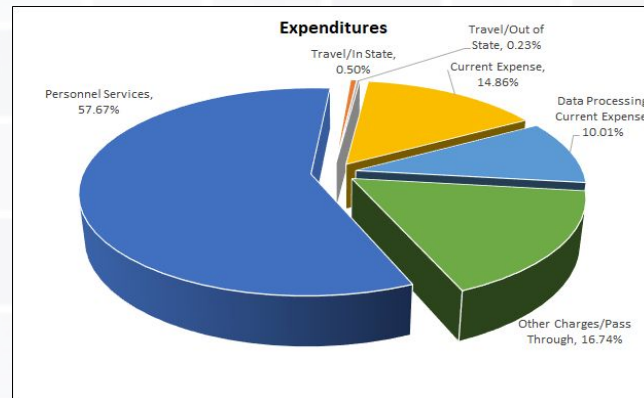
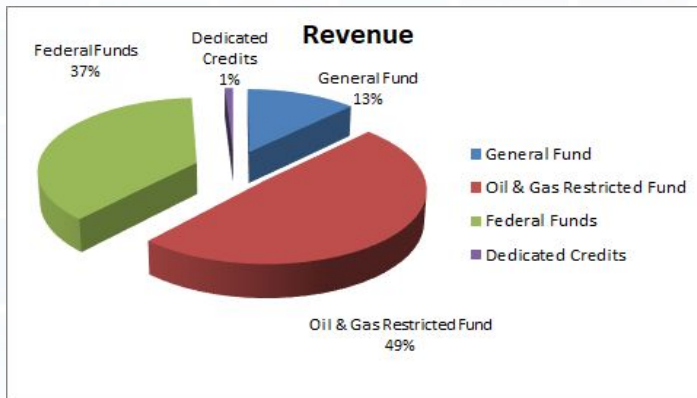




The Division is comprised of four programs:

- Oil and Gas
- Minerals
- Coal
- Abandoned Mine Reclamation

Revenue and Expenditures



Success In Uncertainty

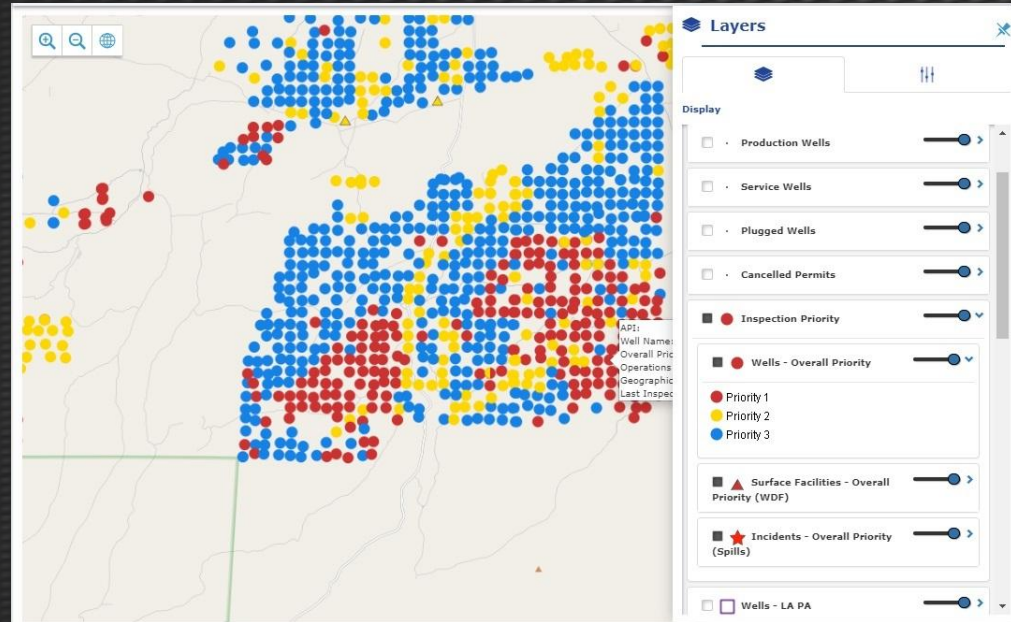
Through the twists and turns of the Covid-19 pandemic staff pushed forward with accomplishments including:

- Previous implementation of electronic initiatives allowed seamless transition to teleworking
- Launching Oil and Gas Program Inspection Prioritization application
- Implementing Minerals Program electronic inspection report application



Prioritization Using Technology

- Inspection Prioritization application for the Oil and Gas Program uses specific criteria to generate and implement data-driven decisions.
- Using Inspection Prioritization, the number of days between oil and gas well inspections has dropped from 500 in 2019 to 341 in 2020.



Efficient Government Eliminates Risks

- Minerals Program electronic inspection form ensures operator compliance by documenting inspections to eliminate risks
- With the implementation of the inspection form, documentation increased 92% from 2018 to 2020

4:22 50%

2020 Mineral Inspection Survey

Lead Inspector:
Matt Munson

Bond Amount \$:
84300


Bond Escalation Date:
11/30/2015

Inspection Date and Time: *

Monday, January 11, 2021 4:20 PM

Inspection Location:

37°48'N 109°7'W ± 3.9 m, 2059 ± 3 m



Permit Fee Status:
No Fee Required

Secondary Inspector:
Kim Coburn

Endee(s):

2021 Division Priorities



- Using technology to make data-driven decisions and manage time effectively
- Compliance/enforcement reducing liabilities to the state



Building Block Requests

I. Database Improvement

- \$250,000 one-time for current year (FY21); \$250,000 ongoing in FY22
Restricted Funds - Oil and Gas Conservation Account
 - Highest priority for achieving optimum performance and efficiency

II. Attorney General's Staff

- \$175,000 ongoing in FY22 - General Fund
 - Provide additional legal counsel to pursue enforcement actions across Division programs



Building Block Requests

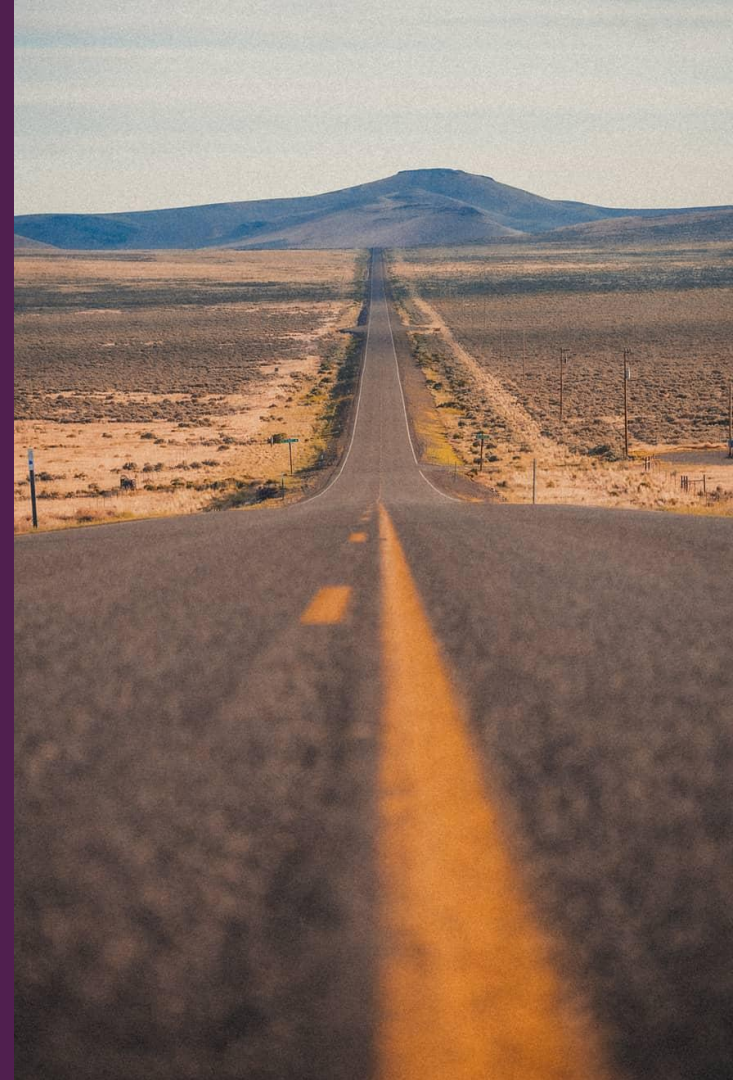
III. Revenue shortfall

- \$1,500,000 one-time for FY22;
\$1,000,000 ongoing in FY22 plus
- General Fund
- Predicted shortfalls based on oil and gas prices and production directly impact the Oil and Gas Conservation Fund

REVENUES	FY2018	FY2019	FY2020	FY2021
Total Revenues	\$4,242,400	\$3,832,400	\$3,420,100	\$2,829,827
Total Expenditures	\$2,480,200	\$2,577,800	\$3,048,700	\$3,190,000
Unexpended Balance	\$1,762,200	\$1,254,600	\$371,400	-\$ 360,173

Looking Forward...

- Continue using technology to make data-driven decisions
- Invest funds to further develop database efficiencies including automated data reports
- Use metrics to determine program successes



Questions?

Director John R. Baza, P.E.

johnbaza@utah.gov

801-538-5334 (office)

801-554-0349 (cell)

ogm.utah.gov

